



MICHAEL BARNETT
Attorney At Law

345 Park Avenue
New York, NY 10154

Direct 212.407.4163
Main 212.407.4000
Fax 212.656.1554
mbarnett@loeb.com

Via ECF
Via Messenger

June 20, 2014

The Hon. Laura Taylor Swain
United States District Judge
United States District Court
500 Pearl Street
New York, NY 10007

Re: *Universitas Education, LLC v. Nova Group, Inc.*, Case No. 11-1590-LTS-HBP (S.D.N.Y.)

Dear Judge Swain:

We represent Universitas Education, LLC ("Universitas"), and write with the Court's permission to supplement and clarify the record on Universitas's pending motion for turnover and a permanent injunction (the "Motion," Dkt. No. 308).

As requested, we enclose a copy of the transcript of the June 18 oral argument. (We understand from SDNY Court Reporters that your Honor's chambers automatically receives a copy of a transcript once one is ordered by any party.)

Additionally, earlier today, we filed a Supplemental Affidavit of Service for the Motion, which expands on the Affidavit of Service filed contemporaneously with the Motion on October 21, 2013 (Dkt. 214-1). A copy of the Supplemental Affidavit is enclosed with the copy of this letter messengered to the Court.

Also, at your Honor's request, we provide below a corrected amount sought on a turnover order/judgment against Daniel E. Carpenter. As your Honor correctly noted during oral argument on June 18 (transcript pp. 18-19), the amount sought from Mr. Carpenter should be equal to the amount sought from Grist Mill Capital, LLC, as Universitas asserts – and, we believe, has established – that Mr. Carpenter is Grist Mill Capital's alter ego. Accordingly, we seek a turnover order and judgment in the following amount against each Respondent:

- i. Daniel E. Carpenter – \$31,263,842.75
- ii. Grist Mill Capital, LLC – \$31,263,842.75
- iii. Grist Mill Holdings, LLC – \$21,000,000.00
- iv. Carpenter Financial Group – \$11,140,000.00



The Hon. Laura Taylor Swain
June 20, 2014
Page 2

- v. Avon Capital, LLC – \$6,710,065.92
- vi. Phoenix Capital Management, LLC – \$5,000,000.00
- vii. Grist Mill Trust Welfare Benefit Plan, and any trustees and plan sponsors thereto in so far as they hold Grist Mill Trust assets¹ – \$4,487,007.81
- viii. Hanover Trust Company – \$1,200,000.00

Finally, in order to address the Court's understandable concerns about imposing a *de facto* receivership on Respondents, we plan to submit a proposed Permanent Injunction Order to the Court, which the Court can utilize in whole or in part (or not at all) in the event the Court decides to grant Universitas's motion for a permanent injunction. We will first send the proposed Order to Respondents, and plan to give them a week to provide comments and counter-proposals.

We thank the Court for its attention to these matters.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Michael Barnett'.

Michael Barnett
Loeb & Loeb LLP

Enclosures

cc: All Counsel of Record (via ECF)

¹ We note that the Grist Mill Trust, in its supplemental memorandum dated June 16, disclosed for the first time that an entity called Hanover Benefit Plans, LLC purportedly replaced Nova Benefit Plans, LLC as plan sponsor and/or trustee of the Grist Mill Trust (Dkt. No. 459-1, p. 12).